



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **SB0361.01: Revise laws relating to health insurance claims submitted to the department of public health and human insurances**

Primary Sponsor: Mike Yakawich Status: As Introduced

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	(\$7,592)	(\$7,592)	(\$7,592)	(\$7,592)
Federal Special Revenue (03)	(\$24,408)	(\$24,408)	(\$24,408)	(\$24,408)
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$24,408)	(\$24,408)	(\$24,408)	(\$24,408)
Net Impact	<u>\$7,592</u>	<u>\$7,592</u>	<u>\$7,592</u>	<u>\$7,592</u>
General Fund Balance				

Description of fiscal impact

This bill complies with the federal Consolidated Appropriation Act, 2022 (CAA 2022) signed into law by President Biden on March 15, 2022. The bill requires third party payors to approve claims without prior authorization if the claim would otherwise be paid by Medicaid.

FISCAL ANALYSIS

Assumptions

Department of Public Health and Human Services (department)

1. Third party payors will comply with the federal law CAA 2022 and resulting state statute from this bill.
2. The department estimates that third party payors denied an average of 51 claims per fiscal year with the sole reason of no prior authorization. The department expects to see Medicaid recoveries increase by approximately \$32,000 per fiscal year due to the bill.
3. Estimated revenue returned to the department by third party payors is an estimate based on percent of denials by third party payors due to no prior authorization.

Fiscal Analysis Table

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	(\$32,000)	(\$32,000)	(\$32,000)	(\$32,000)

Fiscal Note Request - As Introduced

(continued)

TOTAL Expenditures	<u>(\$32,000)</u>	<u>(\$32,000)</u>	<u>(\$32,000)</u>	<u>(\$32,000)</u>
<u>Funding of Expenditures</u>				
General Fund (01)	(\$7,592)	(\$7,592)	(\$7,592)	(\$7,592)
Federal Special Revenue (03)	(\$24,408)	(\$24,408)	(\$24,408)	(\$24,408)
TOTAL Funding of Expenditures	<u>(\$32,000)</u>	<u>(\$32,000)</u>	<u>(\$32,000)</u>	<u>(\$32,000)</u>
<u>Revenues</u>				
Federal Special Revenue (03)	(\$24,408)	(\$24,408)	(\$24,408)	(\$24,408)
TOTAL Revenues	<u>(\$24,408)</u>	<u>(\$24,408)</u>	<u>(\$24,408)</u>	<u>(\$24,408)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	\$7,592	\$7,592	\$7,592	\$7,592
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

NO SPONSOR SIGNATURE

2/27



2/27/2025

Sponsor's Initials

Date

Budget Director's Initials

Date